

5/14/2015

SS pointed out the fact that he was doing deals

Knoller - SS had heard of company before

RS knew SS was working on the deal

RS knew he traded on confidential information from SS

RS mentioned trade to short Rosetta - Ticker

"company is in play"

RS gave RC information - Ticker traded on it

RS and Ticker talked about expiration dates w/ options

RS didn't want to buy options/stocks in his own name

didn't want people asking about his trading  
wanted to keep SS out of it - was nervous

RS/SS talked about trading after FINRA letter

SS told RS companies and specifics of deal

RS talk Ticker

RS asked Sean for updates on deals because he knew

he was interested in the stock

RS took advantage of what he was doing

RS gave confirmation to RL on deals

RL told RS what his share of profits were.

RS thought he would do a little bit and make it ok

450k investment in SANTACO's projects for our fusion deal  
or another 400-500k in cash payments maybe more.

Mark Borda invested in Kindle.

"served it up on a silver platter". SS was drinking that day

SS: "if you had invested you would have made millions"

Financial pressure on RS reason he traded.

RS terrible business man

SS thinks his parents have much more money than they do.

raised kids, paid for college, worked two jobs

Kindle proceeds used to pay for SS's wedding  
what his wife thought they should have

RS didn't help pay for divorce

RS borrowed money from SS to invest in SANTACO - cinnamon

\$30-75k

paid him back

small CPA company

did not get paid by Pete Sicilian

most of money to keep RS afloat in last few years came  
from Mother's estate.

RS never deposit <sup>last</sup> payment from RC into bank.

RC wrote 2-3 checks to RS - deposited those into bank.

After

First deal - SS surprised and angry at RS and  
also nervous

SS relationship w/ RS not good when SS was drinking  
better now